

RUSSIAN FUND OF \$200,000,000 BACKS 2,635 SEIZED REDS AID OF U. S. SOUGHT FOR 35 BILLION LEAGUE BOND ISSUE DEMOCRATIC SENATORS PLAN TO BOLT WILSON ON TREATY

Sir George Paish Launches Plan to Pay World's Debts

Huge Loan Would Be Floated Under Authority of League of Nations, With Payment to Be Guaranteed Collectively By Nations Signing Pact—American Dollar Would Be Basis of Value.

New York, Jan. 3.—The total amount of the proposed international bond issue for the rehabilitation of Europe is \$35,000,000,000, it was stated today by Sir George Paish, the eminent British financier and economist, who has come to the United States as spokesman for the project.

The issue would be floated under the authority of the league of nations and be guaranteed collectively by the nations joined in the league. The American dollar would be the par basis of the bonds which would bear interest at 4 per cent, be free from taxation in all countries and be redeemable in 42 years.

Share of America. Of the total \$15,000,000,000 would be devoted to the refunding of existing war debts, the United States to take \$9,000,000,000 and whatever additional amount might be apportioned to her by arrangement between the nations. Great Britain, Sir George said today, would be willing to take \$5,000,000,000 immediately—the approximate amount of her debt to the United States.

Sir George also expressed the belief that one of the first results of the flotation of this great loan would be the advance of sterling exchange to \$4.50. It was he, by the way, who first predicted that sterling would drop to \$4 or over.

Bonds Would Increase. Sir George said yesterday: "Let me put it this way: You want to sell your food and raw material. Other nations want to sell theirs. Canada, Argentina, Australia, China, Japan. They all want to sell. Europe is not yet in a position to supply them with goods. And Europe doesn't buy their goods, that are those nations going to do with them? "The problem is a very difficult one, but this is my own solution—that this problem is the special function of the league of nations. The duty of the league of nations is to take care of world interests against individual interests. "By international currency or bond issue" was asked. "International currency, it seems to me, would mean a greater inflation than we could contemplate. A bond issue would be the way out." **Guaranteed by League.** "Would such a plan make the United States hold the money bag?" "It would mean paying America for

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7,000 CAUGHT "FLU" IN LAST EPIDEMIC

Since September 1, 1919, less than 7,000 cases of influenza have been reported to the United States Public Health Service, it was announced last night. During the preceding period last year more than 400,000 cases occurred. Reports received by the Public Health Service indicate that the epidemic is on the decline but it was pointed out that it was still too early to say that the danger of a recurrence had passed.

AT WASHINGTON THEATERS

Poli's — "Shubert Galettes of National" — "The Royal Vagabond." Loew's Palace — "Douglas Fairbanks in 'When the Clouds Roll By.'" Grandall's Metropolitan — "Clara Kimball Young, in 'Eyes of Youth.'" Moore's Rialto — "Anita Stewart, in 'Mind the Paint Girl.'" Grandall's — "Lottie Bonissone, in 'The Girl in the Red Dress.'" Loew's Columbia — "Billie Burke, in 'Wanted—A Husband.'" Cosmos — "Continuous vaudeville and pictures." Grandall's Knickerbocker — "Clara Kimball Young, in 'Eyes of Youth.'" B. F. Keith's — "Vaudeville." Gaiety — "Burlesque." "Hip! Hip! Hurrah! Girls." "Sliding Billy Watson."

Fiume Problem Solved, Foreign Circles Rumor

Solution Makes Adriatic Port Free City Similar to President's Proposal.

Nitti, Clemenceau and Lloyd George have officially settled the Fiume problem, it was rumored in foreign circles here last night. The purported settlement makes the Adriatic seaport a free city under the protection of Italy. According to the rumor this answer to the much-mooted Fiume question has met or will meet with President Wilson's approval. In fact, this settlement is essentially in line with the President's own compromise of the case, it was intimated. Possibly such a resolution is viewed as "the practical way out of a situation becoming increasingly dangerous." The general feeling seems to be that Jeugo-Slav officialdom will accept or can be persuaded to accept this decision. The Jeugo-Slav and Italian governments would be left to handle any popular opposition to this settlement on the part of their respective nationals.

U. S. NOT TO BUY CUBA'S CROP OF SUGAR

Wilson Decides Purchase Would Boost Price to Consumer.

President Wilson has decided that the 1920 Cuban sugar crop shall not be purchased by the United States under the authority granted by the McNary act, extending for one year the life of the Sugar Equalization Board, Secretary Tumulty announced last night. For the United States, through the Sugar Equalization Board, to appear as a purchaser of the Cuban crop would further increase the price of sugar to consumers, and might result in a considerable financial loss to the government, Tumulty said. A warning to profiteers was contained in Tumulty's statement. He pointed out that the McNary act continues the authority of the Sugar Board to revoke the licenses of dealers who charge unjust prices or who are guilty of unfair practices. This power will be invoked whenever necessary to prevent profiteering, Tumulty warned.

Supply Ample. "Apparently the supply of sugar available for consumption in the United States," the statement said, "will be sufficient to meet the demands of the consumers even on the present unnecessarily large basis of consumption." Tumulty's statement said in part:

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BILLIONS IN FOOD SENT FROM U. S.

Immense Exports Shown by Commerce Report—Imports \$700,000,000.

Approximately \$2,500,000,000 worth of foodstuffs have been shipped out of the United States in the eleven months of 1919 ending November 30, according to a report made public yesterday by the Department of Commerce.

In the same period the United States imported about \$700,000,000 worth of manufactured products, raw materials and foodstuffs over and above the total for 1918. American exports for eleven months of 1919 reached the astounding total of \$2,420,045,738, a gain of nearly \$2,000,000,000 over the total exports for the entire year of 1918.

Gold Diggers Produced \$10,157,900 Less in 1918

The Bureau of the Mint and the Geological Survey last night issued a joint statement giving the preliminary estimate of production of gold and silver in the United States during 1919. It was estimated that 2,529,395 fine ounces of gold, of a value of \$58,488,500, and 55,285,196 fine ounces of silver, of a value of \$61,966,412, were produced. Compared with 1918 production, these figures indicate reduction in gold output of \$10,157,900, and in silver output, 12,524,943 ounces.

HOKE SMITH WILL LEAD DISSENTERS

Group Who Favor Reservations Will Meet Today And Plan Program Designed to Meet Objections And Bring Early Passage Of Peace Pact.

FAVOR EARLY ACTION DESPITE PRESIDENT

Georgia Senator Convinced People Desire League of Nations Provided America Is Safeguarded by Changes and Oppose Attitude of President.

A revolt of Democratic Senators against the dictation of President Wilson in the treaty fight assumed formidable proportions yesterday.

The revolt will take definite shape today when these Senators, ten or twelve in number, will meet at the home of Senator Hoke Smith, of Georgia, to talk over plans for putting the treaty through with reservations which can command sixty-four votes in the Senate.

The fact that this effort at compromise may involve the swallowing of the Lodge program in its entirety does not deter Senator Smith and those associated with him in their purpose to reach some understanding whereby the treaty can be ratified despite the President's announced opposition to any kind of reservations.

Smith Now Leader. Senator Smith assumed the nominal leadership of the seceders by issuing the invitation for the meeting at his home. He took the initiative in the movement immediately upon his arrival today from Georgia, where he has been addressing his people on the necessity of having Americanizing reservations in the treaty which the President accepted in Paris.

The Senator announced that about a dozen Democratic Senators had accepted his invitation. He was unwilling to give any names, but it is understood that among those who are likely to attend the independent conference are the following: Kendrick, Wyoming; Smith, South Carolina; Smith, Arizona; Henderson, Nevada; Chamberlain, Oregon; Trammell, Florida; Gerry, Rhode Island; Wolcott, Delaware; Fletcher, Florida; Dial, South Carolina; Kirby, Arkansas; Myers, Montana; Owen, Oklahoma; Pomeroy, Ohio.

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Citizens' Bodies Protest Reorganization of Schools

After a series of discussions last night as to whether the Federation of Citizens' Associations is qualified to represent the thirty-five citizens' associations of the District on the public schools betterment committee, the body passed up the question by adopting a motion to adjourn.

However, before the long wrangle, during which the body found itself in a series of parliamentary tangles, it adopted a portion of the report of its school committee which was presented by Jesse C. Suter, chairman of the committee, protesting against any reorganization of the school system now as untimely and detrimental to the system, and endorsed the five points of the platform of the better schools committee.

Fight Over Representation. The long discussion started when the third paragraph of the committee's report came up for discussion. This paragraph would have approved the action of President W. B. Westlake, of the federation, and Mr. Suter, participating in the schools movement, and authorized them to act for the federation.

This was amended, however, by a motion of William McK. Clayton, representing the Brightwood Citizens' Association, saying that "under the constitution and the plan and scope of the organization, the federation is unable to be represented as a body on the school board." With this amendment, the third paragraph of the report failed of

Preacher Had To Be Linguist To Marry Them



MRS. GEORGE WHITTELL, JR. San Francisco, Jan. 3.—A war romance of France and Italy reached a happy climax recently when Miss Ella Pascal, a French beauty of Paris, became the bride of George Whittell, Jr., society favorite, heir to the Luning millions of California and a war hero decorated for bravery by the French and Italian governments. Whittell and his bride met two years ago while he was engaged in war work in Italy.

CIVIL SERVICE TIGHTLY BOUND WITH RED TAPE

The Patronage Demands of Members of Congress Adds to Difficulties.

The Washington Herald today publishes the third of a series of articles on "Uncle Sam's Swindler"—the government service in Washington—written by G. W. Axelsson after careful study of the subject. Mr. Axelsson's word picture of the government worker has been drawn from a new point of view and the facts revealed probably will surprise even those government officials who believe themselves cognizant of conditions in the government service.

The fourth article will appear in The Washington Herald tomorrow and others daily thereafter until the subject has been fully covered.

By G. W. AXELSSON.

The non-progressive character of government service has been its bane since the days before the civil war. The apparent inability of Congress to see the need for unwinding the red tape which, from year to year, has more tightly bound the whole into a compact mass, has had the effect of stifling ambition and killing initiative on a scale which would have smothered any private enterprise, however well organized.

Congress, however, has not been unkind of supervision of a kind. Members have wandered up and down the corridors noting cigarette smoking and visualizing "unemployed" executives. Then they have hied themselves to the rostrum and in vitriolic outbursts have orated against extravagance, inefficiency and slothfulness.

Officers Upheld. Officers of the federation, following the meeting, declared that this was not a repudiation of the action of the officials in participating in the school movement.

The arguments, which grew heated at times, wound around the point as to whether the federation could undertake action for its thirty-five constituent bodies. The speakers, while generally approving the five policies of the better schools movement, protested against the federation as a body taking any action.

The effect of the action is that the better schools committee is likely to

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BOLSHEVIK ARMISTICE LASTS TO JANUARY 10

The armistice recently signed between Estonia and the Bolsheviks will last until January 10 and will continue automatically unless either side notifies its intention to end the armistice, the State Department was advised yesterday.

The Bolsheviks recognize Estonia's independence zone ten versts east of the Estonian frontier, which zone is to be kept neutral until 1922. Estonian territory is not to be used as a base for operations against the Bolsheviks.

PLOT TERROR REIGN AS SOVIET PRELUDE

Fleet Needed To Transport Anarch Mob

"Ars" Buford Neering Helmsingfors, Finland, as Ellis Island Becomes Jammed With New Deportees Elect, Following Series of Gigantic Raids.

GUNS AND BAYONETS OVERAWAY PRISONERS

Chief Flynn's Secret Service Men and Police Serving Hundreds More Warrants—Defiant Radicals Jeer Guards and Sing "Internationale."

New York, Jan. 3.—With Ellis Island jammed to capacity tonight with 465 aliens who are being held for deportation proceedings on the charge that they plotted to overthrow the government, and with agents of the department of justice continuing their search for suspects, the government was reported to be making all possible speed in its plans to send one and perhaps three shiploads of undesirable out of the country at once.

The United States transports Kilpatrick, America and Grant are all said to be in readiness to sail with loads of "reds" who are ordered deported. The immigration authorities plan quick hearings and it was reported that the Kilpatrick may sail next Saturday.

Whole Fleet Needed.

Other groups of radicals were being assembled in various parts of the country for immediate transportation to Ellis Island. The number of aliens caught was so large it was intimated an entire fleet of ships would be required to deport them. The transport Buford, original "anarchist ark," which left here two weeks ago Sunday for Finland, was last reported nearing Helmsingfors, with everything quiet aboard. It was believed the next "ark" would be ready to leave within a week.

Guarded by armed agents of the Department of Justice and coast guard sailors bearing rifles and fixed bayonets, 201 of the Communists arrested in this city were taken to Ellis Island during the day.

The other "reds" on the island were rushed to the immigration station from various points in New Jersey.

Flynn's Force Busy.

The reinforced staff of Department of Justice agents, working under Chief William J. Flynn, still had several hundred more warrants to serve tonight. Forty-five new secret service agents were sworn in. Assisted by the police and plain clothes detectives, they were on guard to prevent suspected anarchists from gathering in secret places, now that it is known that the government plans to round up all the Communists and their sympathizers.

The prisoners were defiant as they were taken down the bay to Ellis Island. They jeered at their guards and loudly sang the "Internationale," official song of the foreign anarchists. There were said to be no Reds of national prominence in the various batches of captives, who were taken to the immigration station during the day. Harry Winitsky, secretary of the Communist party in New York, was said to have been arrested, but the authorities refused to say whether he had been taken to Ellis Island.

Look for Girl Prisoners

Some of the feminine prisoners captured in New Jersey were girls of 17 and 18. They made a lark of their arrest.

Some of the officials spent the entire day examining the tons of literature seized in the raids upon eleven branch headquarters of the Communist party and two newspaper offices. Some of this literature was in Russian. The officials believed that it had been printed in Soviet Russia and smuggled into this country. Letters and other documents were seized for examination. A thorough search was made of the office of the Russian newspaper, Novy Mir, upon which Leon Trotsky worked when he lived in New York, and the Communist World. The latter is printed in English.

Department of Justice agents said

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Nations Doomed To Destruction By Proletariat

Documents made public by the Department of Justice reveal that the Communist and Communist Labor parties took the manifesto of Lenin and Trotsky's Third International at Moscow last March and made it their platform in this country. Every member swore allegiance to these principles, the records of the organization show.

The Moscow manifesto says: "Alongside the dethroned dynasties of the Romanoffs, Hohenzollerns and Hapsburgs, and the capitalist cliques of these lands, the rulers of France, England, Italy and the United States stand revealed in the light of unfolding events and diplomatic disclosures in their immeasurable vileness."

"The revolutionary era compels the proletariat to make use of the means of battle which will concentrate its entire energies, namely mass action, with its logical resultant, direct conflict with the governmental machinery in open combat. All other methods such as the use of bourgeois parliamentarism will be of only secondary importance."

WILSON ASKED TO CALL INITIAL LEAGUE SESSION

Clemenceau Authorized to Direct President to Issue Summons.

Paris, Jan. 3.—The Peace Conference today began preparations for the first meeting of the council of the league of nations.

The supreme council authorized Premier Clemenceau of France to issue a preliminary call for the first council meeting, and to direct President Wilson to issue a formal call as soon as the treaty of Versailles is effective.

Wilson, as chairman of the league of nations committee of the Peace Conference, was authorized to call its first meeting. In view of America's failure to accept the peace treaty, with the league covenant, however, some doubt has been expressed as to what position the President will occupy.

Will Continue With Plans. The Peace Conference, however, it was indicated, intends to continue with its league plans just as if the United States had accepted the league covenant.

The Versailles treaty will not be effective before about January 10, according to best information in peace conference circles. The illness of Kurt von Leiner, head of the German delegation, and the absence of Clemenceau, who is now on a vacation, was given as the reason for the latest delay.

It was announced several days ago Germany would sign the protocol January 6 and that the treaty would be declared effective as soon as possible after that date, but indications today were that the treaty ceremony may be deferred at least a week.

Silent on Scapa Flow.

Berlin dispatches, dated yesterday, said it had been stated semi-officially there Germany probably will not reply to the latest allied communication regarding the compensation to be paid by Germany for sinking of the Scapa Flow fleet. The Germans, it was said, plan to leave this matter to be taken up in Paris before they sign the protocol.

The French government, it was indicated, will go ahead with enforcement of terms of the treaty that particularly apply to France.

An Amsterdam dispatch said the French occupation authorities at Saarbrücken had informed municipal authorities the French would assume control of the new Saar state today. The coal mines of the Saar Basin will be worked under direction of the French to repay France for her loan supply lost when the German invaders destroyed France's coal mines in the Lens region.

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Armed Revolt Plans Traced To Socialists

Left Wing of Party in America Said to Have Been Inspired by Moscow Third International Conference Last March.

ALIENS COLLECT BOMBS AND RIFLES

Two Extreme Radical Parties Rapidly Extending Activities Throughout Country Preaching Violence and Bloodshed and Fomenting Trouble.

An armed revolution against the government and established institutions of the United States, with a reign of terror, was the avowed purpose of leaders of the 2,635 alien radicals rounded up in all parts of the country by federal agents, the Department of Justice revealed last night.

Officials said the "reds" have a huge fund to aid them in spreading Bolshevik doctrine and in fighting deportation. The money is said to be Russian gold.

A. J. Caminetti, Commissioner General of Immigration, said a report that the radicals had a \$200,000,000 fund would be investigated during the deportation hearings. Where Evidence Leads.

Evidence of the plot for an armed revolution leads, first, from the left wing of the Socialist party of America, which refused to back this country in the war; then to the third international conference in Moscow, in March, 1919, and back to the United States through the formation here last September of the Communist and Communist Labor parties, the department said.

The dangerous aliens already had started the collection of bombs, rifles and other war materials. A stock of military equipment was found at Newark, N. J., and hundreds of weapons were taken from individuals in other parts of the country.

Would Arm Negroes.

The two Communist parties were rapidly extending their activities to all parts of the country, the evidence shows. In their program was a general uprising of all the negroes whom they expected to arm.

Efforts also were being made to gain control of all labor organizations with the cry, "Down with capitalism!" Appeals were made by leaders of the Communist organizations for violence and bloodshed in the two recent big strikes—those of the miners and the steel workers. Radical alien agitators traveled all over the country urging strikes and other labor troubles, hoping thus to bore from within and lead the large number of American workmen into their organization. Much of the present unrest, the evidence shows, can be checked up to them.

The big drive against foreign revolutionists is still continuing and will be carried on until all the warrants have been served.

Many Suspects Freed.

Forty-five hundred were given by Department of Justice officials as their best estimate of the number of suspects taken, but many of these were released shortly after their arrest because the evidence against them was not considered sufficiently conclusive to justify prosecution or deportation proceedings. They were freed after cross-examination.

Justice officials said they "had the goods" on 2,635 of the 4,500 that have passed through their hands, and that number is being held. This total probably will be increased later. Twenty-five communist newspapers were started throughout the country and tons of revolutionary literature were printed. Most of the alien editors have been caught in the big raid. The Department of Justice declared it has conclusive evidence indicating that the whole campaign was being directed by the Bolshevik government of Russia. The United States, rich in resources, was the first stronghold of democracy that Lenin and Trotsky desired to "sovietize." The whole pro-

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